Emerging Policy Issues

As a result of the recent CALFED Public Hearings on the PEIS/ and State and Federal Legislative Hearings several issues have been raised repeatedly. Many of the issues identified are already being discussed and addressed within an existing CALFED process or program. However, several of the issues listed below need additional discussion.

- Restoration on Public Lands Before Private Lands
- Safe Harbor Protections for Adjacent Landowners and Other Lands
- In Lieu Taxes for Local Governments
- Additional Incentives / Removal of Obstacles for Water Use Efficiency and Water Recycling
- 1. Restoration on Public Lands Before Private Lands.
- Concern has been expressed that state and federal governments own substantial lands and that CALFED restoration should first focus on those public lands before acquisition and restoration of additional private agricultural lands.
- The PEIS/R states that habitat restoration efforts would focus on developing habitat on public lands first.
- While there are public lands in the CALFED ecosystem restoration solution area, a review of those lands is needed to determine the potential for restoration and degree that restoration would meet the near-term ecosystem restoration objectives.
- For example, restoration of publicly owned Delta islands would provide seasonal wetland habitat for terrestrial animals and migratory waterfowl. This would not significantly benefit fishery species which are primary focus for near term delta restoration.
- 2. Safe Harbor Protections for Adjacent Landowners and Other Lands
- In this context Safe Harbor from endangered species laws is being requested by landowners adjacent to new ecosystem restoration areas.
- Adjacent landowners are concerned that their ability to continue normal farming practices
 would be limited due to endangered species moving onto their lands or due to farming
 practices such as pesticide spraying that could impact restored areas. Initially "Safe
 Harbor" was conceived for landowners that are making temporary habitat improvements to
 their lands.

3. <u>In Lieu Taxes for Local Governments</u>

- Local governments and special districts are concerned about the increase in public ownership of lands (fee and easement acquisition) and the potential for a corresponding reduction in local revenues from taxes and special assessments.
- State and federal governments have existing policies and laws to compensate local areas for the reduction local revenues but the compensation has not been consistently provided.
- Funding for "in lieu taxes" has not been included in early ecosystem restoration funding but could be part of the long term funding package.
- 4. Additional Incentives /Removal of Obstacles for Water Use Efficiency and Water Recycling
- Concerns have been raised that the CALFED program needs to include financial incentives and remove financial and other obstacles for agricultural water use efficiency and water recycling.
- The Water Use Efficiency Component of the PEIS/R indicates that funding assistance will be provided for both WUE and Water Recycling efforts and that the lack of funding will not be an obstacle to implementation of cost effective measures.
- More specific actions and detail could be provided as part of Stage I implementation to further define the funding assistance efforts in the program and to identify any other possible obstacles to be addressed in Stage I.